

ANNEXURE.

COMMISSION GRANTED UNDER SECTION 99 OF THE LAND REVENUE CODE,
REGULATION IV OF 1888.

To

Mr. N. Dharmarayacharya, B.A., LL.B.,
Agent of the Sri Kudli Akshobhyathirtha Mutt,
Shimoga.

By virtue of the powers vested in them by the Land Revenue Code, the Government of His Highness the Maharaja of Mysore are pleased to confer on you Mr. Dharmarayacharya, B.A., LL.B., the following powers specified in clauses (b), (d), (e) and (f) of Section 99 of the Mysore Land Revenue Code to be exercised within the limits of the marginally noted inam villages of the Sri Kudli Akshobhyathirtha Mutt:—

Shimoga Taluk.	{	1. Holehatti.
		2. Savagondanahalli.
Honnali Taluk.	{	3. Beeranahalli.
		4. Malenahalli.
		5. Hurulihalli.
		6. Bullapura.

(b) To attach the property of persons making default in the payment of Land Revenue or rent due to you in the said villages.

(d) To exercise the powers of a Deputy Commissioner under Sections 63 and 64.

(e) To receive notices of relinquishment under Section 71 and to determine the date up to which such notices shall be received as in that Section provided, and

(f) To take measures for the maintenance and repair of boundary marks in the manner provided for Survey Officers in Section 130.

II. The abovementioned powers delegated to you are vested in you during the pleasure of and subject to recall by the Government of His Highness the Maharaja of Mysore.

By Order,

S. ABDUL WAJID,

Secretary to Government,
General Department.

DEVELOPMENT SECRETARIAT

Sanctions a Scheme of Steel Manufacture in the Mysore Iron Works, Bhadravati, at a
cost of Rs. 21 lakhs.

READ—

Letter No. B. 111, dated 12th June 1934, from the Secretary to the Board of Management, Mysore Iron Works, forwarding the final views of the Board of Management, in regard to the scheme for the Manufacture of Steel at Bhadravati and recommending that the installation of the steel plant may be sanctioned.

ORDER No. D. 1164-65—I. W. 45-33-3, DATED BANGALORE,
THE 16TH AUGUST 1934.

Ever since the Bhadravati Iron Works started operation in January 1923, it has been found difficult to sell the entire output of pig iron. The demand for iron in India, even in normal times, has not exceeded 150,000 tons a year, which is only about a tenth of the total capacity of the blast furnaces in the country. About the time the Bhadravati Iron Works commenced operation, the Indian Iron and Steel Company started their two furnaces and the Tata Iron and Steel Company added two more blast furnaces as part of their Greater Extension Scheme. While there has thus been a great increase in the blast furnace capacity, the production of steel has not shown a corresponding increase, and there is thus a large output of pig iron which cannot be made use of in the country. The bulk of the Indian production used to be exported to America and Japan, but these countries are adopting

measures calculated to reduce their import of pig iron. The Works have, however, succeeded in securing a market in Southern and Western India where they have freight advantage, and have also been exporting small quantities to America and Japan. But the demand is insufficient to absorb the whole or even a large part of the output.

The obvious solution of the difficulty under which the Works labour, is to manufacture finished products for which there is a steady local demand and with this object, Government sanctioned the addition of a plant for making pipes. The manufacture of pipes and other castings absorb, however, only a small portion of the output.

The problem of finding a profitable use for the surplus pig iron has engaged the constant attention of the successive Boards of Management and the solution suggested by them is the manufacture of steel articles. There is a wide and growing market for ordinary steel sections, such as bars, flats, rounds and small angles; and the total demand in India for them is about three times the output by the Tata Iron and Steel Company which is at present practically the only manufacturer of steel articles in India. The balance of the demand is, at present, met by imports from abroad, especially the Continent of Europe. A detailed survey of the demand in Mysore and the surrounding territories where the Bhadravati Iron Works have freight advantage, shows that there is a market for about 30,000 tons of which the demand in the State alone amounts to about 8,000 tons.

The different processes for the manufacture of steel at Bhadravati have been considered in great detail with the help of experts and manufacturers in various countries. After a careful consideration of all the views obtained, the installation of a Siemen's Martin basic open hearth furnace and a rolling mill suitable for the rolling of bars and other sections in local demand has been adopted.

Mr. S. M. Marshall, then a partner of Messrs. Perin and Marshall, New York, Consulting Engineers of the Works, visited Bhadravati in July and December 1930 and after a close study came to the conclusion that "the manufacture of steel is not only feasible but that it offers the only opportunity for disposing of the output of pig iron on a basis that will yield profit to the Works. He accordingly prepared in great detail plans and estimates for putting up a steel plant and the capital cost of the scheme was calculated to amount to Rs. 16 lakhs in the conditions obtaining at the time.

After obtaining the approval of Government to the further investigation of the scheme, Herr Karl Raabe, an eminent metallurgist and Consulting Engineer of Germany, was requested to examine the position of the Works from the commencement of their operations, to consider all the proposals made from time to time for improving the results, to suggest what course—whether manufacture of steel or any other—might be adopted for improving the financial prospects of the concern; and, if steel making was the alternative to be adopted, to formulate a complete scheme therefor. All the materials required for a thorough investigation of the problem were submitted to Herr Raabe and after a detailed examination, he was of opinion that the present position of making only pig iron for sale to foundries is unsatisfactory and that the conversion of iron into steel offers the only possible means of avoiding losses in future. After a review of operation costs and the market for steel, he held that the financial success of the scheme of steel manufacture is assured and that it may be undertaken on the lines recommended by him. The rolling programme has since then been revised to include bars below half inch in diameter and strips.

This question of adding a steel making unit to the plant at Bhadravati has been before the public for a number of years and the problem has been discussed at meetings of the Representative Assembly and the Legislative Council, and the Committee of Visitors to the Works. A special meeting was held in July 1931 to ascertain the views of the public in regard to this scheme and the opinion was almost unanimous that it was necessary to take up the manufacture of steel. More recently a resolution was moved in the Representative Assembly at the Session held in June 1934, recommending the installation of a steel plant at Bhadravati. This received a large volume of support, being carried by 120 votes against 62.

Since then, the report of the Tariff Board which examined the question of the protection required by the Iron and Steel Industry in India has been published and their recommendations have generally been accepted by the Government of India. The Board recommend protection to the steel industry for a period of seven years and the amount of protection is calculated to give the steel industry generally in India a fair return after meeting the operation expenses and financial charges. The Board have carefully examined the results of the operation of the Bhadravati Iron Works with the addition of the steel plant. With the market prices determined on the basis of their recommendations, they expect that the plant will, on the full estimated output, give a surplus of about Rs. 8 lakhs after meeting the operation expenditure and the interest on working capital. The depreciation on the entire plant at the value now shown in the books will be Rs. 6 lakhs and the surplus of about Rs. 2 lakhs will give a return of about 10 per cent on the new capital.

Assuming a smaller output of 14,000 tons of steel with a corresponding reduction in the pig iron output also and a combination of other possible adverse factors, this surplus would be reduced to about Rs. 4½ lakhs which will cover depreciation and interest on the new capital and leave a margin of about Rs. 2 lakhs, towards meeting the depreciation on the old capital.

It will be seen from what is stated above that the proposal to add a steel plant to the Iron Works has been fully examined and having regard to the opinions expressed by experts, there is a reasonable prospect of the steel scheme proving financially successful. Government are accordingly pleased to approve of the recommendation and accord their sanction to the steel scheme at an estimated cost of Rs. 21 lakhs.

A sum of Rs. 18 lakhs will be required for expenditure during the current year and a supplemental demand for this amount will be placed before the next meeting of the Legislative Council.

M. VENKATANARANAPPA,
*Secretary to Government,
Development Department.*

**Approves of certain amendments to the Bye-laws of the Mysore Co-operative Land
Mortgage Bank, Limited,**

READ—

Letter No. 8650—C. S., dated 13th June 1934, from the Registrar of Co-operative Societies requesting approval for the amendment of certain bye-laws of the Land Mortgage Bank.

ORDER No. D. 1142-45—L. M. 29-33-2, DATED BANGALORE,
THE 14TH AUGUST 1934.

Under Section 53 of the Mysore Co-operative Societies Regulation VII of 1918 as amended by Regulations No. V of 1929 and No. VI of 1933, Government are pleased to approve of the amendments as detailed in the statement appended, to the bye-laws of the Mysore Co-operative Land Mortgage Bank, Limited, passed at the Fourth Annual General Meeting of the Bank on 19th November 1933, and slightly modified by the Registrar in consultation with the President of the Bank.

M. VENKATANARANAPPA,
*Secretary to Government,
Development Department.*